

**LİMAK DOĞU ANADOLU ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**("Company")**  
**WORKING PRINCIPLES OF THE EARLY RISK DETECTION COMMITTEE**

**1. Incorporation**

At the Board of Directors meeting of Limak Doğu Anadolu Çimento Sanayi ve Ticaret A.Ş. (the “**Company**”) dated 21.05.2024 and numbered 2024/152, in accordance with Article 378 of the Turkish Commercial Code No. 6102 (“**TCC**”) and the provisions of the Capital Markets Board's (“**CMB**”) Communiqué on Corporate Governance (II-17.1) (“**Communiqué**”), an Early Risk Detection Committee (“**ERDC**”) has been established to fulfill the obligations stipulated in the TCC and the Communiqué in relation to early detection of risks and management of the Company's risks within a system to be established, to carry out and coordinate the related activities, and to make recommendations and suggestions to the board of directors for the purposes of early detection of risks and establishment of an effective risk management system, selected by the board of directors from among the members of the board of directors and/or third parties who are experts in their fields.

**2. Purpose and Scope**

The purpose of this regulation is to determine the duties, authorities, responsibilities and working principles of the ERDC established under Article 378 of the TCC, in accordance with the provisions of the TCC and the corporate governance principles (“**CGP**”) set forth in the Communiqué.

This regulation covers the work and activities to be carried out by the ERDC and/or the Company employee who is not a member of the committee to be assigned by this committee within the framework of the TCC and CGP.

**3. Duties and Responsibilities**

**A. The duties of the ERDC, together with those listed in the Communiqué, are as follows:**

- It carries out activities to identify risks that may jeopardize the existence, development and continuity of the Company, to establish crisis prevention models and management systems, to identify and detect risks early, to implement necessary measures against risks and to manage risks.
- It reviews risk management systems at least once a year and oversees that risk management practices are carried out in accordance with the decisions of the ERDC.
- It may invite the executive it deems necessary to its meetings and receive their opinions.
- It benefits from independent expert opinions on the matters it needs in relation to its activities, with the cost of consultancy services to be covered by the Company. Information about the person/organization from whom services are received and whether this person/organization has any relationship with the Company is included in the annual report.
- Its decisions are advisory to the Board of Directors, and the Board of Directors is the final decision-maker on relevant issues. It submits its assessments and recommendations about the abovementioned issues to the Board of Directors in writing.
- It submits a report to the board of directors and the auditor assessing the situation every two months pursuant to Article 378 of the TCC.
- It fulfills other duties and responsibilities assigned/to be assigned in accordance with the TCC and capital markets legislation.

**B. Duties and responsibilities of the secretariat of the ERDC ("Secretariat") are as follows:**

- To ensure communication between the members of the ERDC, to make preparations for meetings, to keep the minutes of the meetings, to archive the correspondence regularly,
- To carry out the planning, realization and follow-up of the meetings in a way to ensure maximum efficiency before, during and after the ERDC meetings,
- To ensure coordination in the timely delivery of all kinds of information to the ERDC members,
- To keep the records available for inspection by the members at all times.

**4. ERDC Structure and Membership Criteria**

The term of office of the ERDC is the same as that of the board of directors. The duties of the current ERDC members shall continue until a new one is elected.

The ERDC is composed of at least two members. If the ERDC has two members, both members, and if the ERDC has more than two members, the majority of the members shall be non-executive board members. Third parties who are experts in their fields may also be elected as members of the ERDC. ERDC chairman is chosen among independent Board Members.

The Company's chief executive officer and general manager cannot serve on the ERDC.

Secretariat services are carried out by the secretariat of the Company's Accounting and Finance Directorate.

All resources and support required for the ERDC to fulfill its duties shall be provided by the Board of Directors.

**5. Authorities of the ERDC**

If deemed necessary, the ERDC may initiate special investigations and appoint experts as consultants to assist it in these investigations.

When deemed necessary, the ERDC may invite Company employees, representatives of persons and organizations related to the Company, including its subsidiaries or affiliates, and experts in their fields to its meetings and receive information, may receive professional risk management or consultancy services from outside within these units within the knowledge of the Board of Directors, or may provide support/consultancy to its subsidiaries or affiliates on risk management issues to the extent permitted by its duties and responsibilities.

The ERDC acts under its own authority and responsibility and makes recommendations to the board of directors; however, the responsibility for the final decision always belongs to the board of directors and does not relieve the board of directors of its duties and responsibilities arising from the TCC.

**6. Meetings**

The ERDC meets in the frequency required by the duties assigned to it. The agenda of the meeting is determined by the chairman of the ERDC. The members of the Board of Directors and the ERDC shall notify the chairman of the ERDC of the issues they wish to be included in the agenda.

The meeting and decision quorum is the absolute majority of the total number of ERDC members. The decisions of the ERDC are advisory to the Board of Directors, and the Board of Directors is the final decision-maker on relevant issues. The ERDC ensures that the Board of Directors is informed on matters within its authority and responsibility, and reports its recommendations on risks and remedies to the Board of Directors and the auditor.

The meetings of the Committee may be held face-to-face or without an actual meeting, through electronic means or by conference call. Actual meetings may be held at the Company's headquarters or at another location that is easily accessible to the members of the ERDC.

Minutes of meetings held via electronic means without an actual meeting shall be signed by the members of the ERDC. It is also possible for the decisions of the ERDC to be taken by circulation, and decisions signed by all members on the same or different papers are valid.

## **7. Reporting Procedures**

The decisions of the ERDC shall be kept in a decision book/file for the ERDC. The Secretariat is responsible for the preparation and storage of the reports.

The minutes of the meeting shall include a minimum of the following points:

- place and time of meeting,
- agenda,
- information on topics discussed during the meeting,
- decisions taken.

The minutes of the meeting are archived after being submitted for the information of the members of the ERDC. The decisions approved by the ERDC are submitted to the Board of Directors.

## **8. Effective Date**

These working principles, which regulate the duties and working principles of the ERDC, were approved by the Board of Directors decision dated 21.05.2024 and numbered 2024/152 and became effective as of the date of approval. The Board of Directors is authorized to review and update these working principles.

## **9. Execution**

The implementation of these working principles shall be monitored by the Board of Directors.